United Nations Industrial Development Organization

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Programme and Budget Committee
Thirty-fourth session
Vienna, 19–20 June 2018
Item 2 of the provisional agenda
Adoption of the agenda

Annotated provisional agenda

Opening of the session

The thirty-fourth session of the Programme and Budget Committee will be opened by H.E. Mr. H. Kyrölainen (Finland) in his capacity as Chairperson of the thirty-third session.

Item 1. Election of officers

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairperson and three Vice-Chairpersons, and from among the delegations of its members a Rapporteur. Rule 17.3 stipulates that the offices of the Chairperson, the three Vice-Chairpersons and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairperson of the thirty-fourth session should be elected from members of the Committee from the Asian States in List A, and the three Vice-Chairpersons from States in List B, States in List C and States in List D. The Rapporteur should be elected from members of the Committee from among the African States in List A.

Item 2. Adoption of the agenda

A provisional agenda for the thirty-fourth session, prepared by the Director General in consultation with the Chairperson of the Committee in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.34/1 as stipulated in rule 12.

The Committee will have before it:

- Provisional agenda (PBC.34/1)
- Annotated provisional agenda (PBC.34/1/Add.1)
- List of documents (PBC.34/CRP.1)

For reasons of economy, this document has not been printed. Delegates are kindly requested to bring their copies of documents to meetings.

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Item 3. Annual Report of the Director General for 2017

In accordance with Article 11.6 of the Constitution, the Director General is to prepare an annual report on the activities of the Organization. In its resolution GC.4/Res.2, the General Conference requested the Director General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11. At the request of the Board in decision IDB.23/Dec.12, annual reports include information on operational activities for developments arising from relevant United Nations General Assembly resolutions, including the quadrennial comprehensive policy review in accordance with United Nations General Assembly resolution 71/243 of 21 December 2016.

In compliance with Conference resolution GC.17/Res.1, paragraph (p), and Board decision IDB.44/Dec.2, paragraph (c), Member States are kept informed in the annual report on the implementation of the medium-term programme framework and on UNIDO's contribution to the realization of the 2030 Agenda and its Sustainable Development Goals (SDGs).

Pursuant to Board decision IDB.44/Dec.2, paragraph (d), the *Annual Report of UNIDO 2017* will provide information in a concise manner, enriched with statistical data and results achieved in accordance with the integrated results and performance framework, so as to enhance UNIDO's performance accountability and visibility.

Article 9.4 (d) of the Constitution stipulates that the Board shall request members to furnish information on their activities related to the work of the Organization. In decision IDB.1/Dec.29, Member States were requested to inform the Board on their activities related to the work of the Organization when reviewing the annual report. Due to the reduction of the number of sessions of the Board in non-General Conference years (decision IDB.39/Dec.7 (f)) and following the practice established in 2013, the annual report will be presented through the Programme and Budget Committee to the Board.

Member States may therefore wish to include information on their activities as they relate to the work of UNIDO in the oral statements delivered by their representatives to the Committee under this item.

The Committee will have before it:

- *Annual Report of UNIDO 2017 (including programme performance report)* (PBC.34/2-IDB.46/2)
- Integrated results and performance framework: definition of indicators and setting of targets. Update by the Secretariat (PBC.34/CRP.2)

Item 4. Report of the External Auditor for 2017

Financial regulations 11.9 and 11.10 stipulate that the reports of the External Auditor, together with the audited financial statements, shall be completed not later than 20 April and shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board, which shall forward them to the Conference with such comments, as it deems appropriate.

The Committee in its conclusion 1987/19 requested the Director General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources. Starting in 2011, the financial performance report, i.e. the financial statements compliant with the International Public Sector Accounting Standards (IPSAS), has been included in the External Auditor's report.

The report of the External Auditor will also include information on the implementation of recommendations included in the report of the External Auditor for 2016 (IDB.45/3).

The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2017 (PBC.34/3-IDB.46/3)
- Annexes to the report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2017 (unaudited) (PBC.34/CRP.3)

Item 5. Financial situation of UNIDO

The report by the Director General to the General Conference at its seventeenth session (GC.17/5) covered a wide range of issues within the context of the financial situation. That information will be updated in a document submitted to the present session.

As specified in Conference decision GC.17/Dec.18, paragraph (f), the Secretariat will report to this session of the Committee on new de-prioritization and efficiencies identified and/or implemented between sessions, with the goal to offset the financial impact on Member States of recosting and new expenditure proposals in the budgets for 2018–2019. The relevant information will be included in the Report by the Director General on the financial situation of UNIDO.

Furthermore, at its seventeenth session the Director General apprised the General Conference of the unutilized balances of appropriations (GC.17/CRP.5), encouraging Member States to decide by 15 December 2017 on a voluntary basis the contribution of their balance to one of the special accounts, the Special Account of Voluntary Contributions for Core Activities or the Major Capital Investment Fund (document IDB.43/5 and Board decision IDB.43/Dec.6 (i) refer), the Partnership Trust Fund or any other established trust fund, the Industrial Development Fund (IDF), or the application of the amount to their 2018 assessment. Information on the allocation of the unutilized balances of appropriations will therefore be included in the above-mentioned document, submitted to the present session.

The Committee will thus have before it:

- Financial situation of UNIDO. Report by the Director General (PBC.34/4-IDB.46/4)
- Status of assessed contributions. Note by the Secretariat (PBC.34/CRP.4)

Item 6. Report of the informal working group on Programme and Budget Committee-related issues

Through decision IDB.45/Dec.7, paragraph (d), the Board established an informal working group, without cost implications, to address Programme and Budget Committee-related issues of the Organization. This informal working group was to be convened by the President of the Industrial Development Board and was to report to the Programme and Budget Committee at the thirty-fourth session.

The Committee will therefore have before it:

- Informal working group on Programme and Budget Committee-related issues. Report of the Co-Chairs (PBC.34/5-IDB.46/5)

Item 7. Mobilization of financial resources

At its twenty-fifth session, the Board adopted decision IDB.25/Dec.5 on funds mobilization for integrated programmes. In that decision in paragraph (i), the Board, inter alia, requested the Director General to maintain a continuous dialogue with Member States in order to actively sustain the common resource mobilization efforts. A report on progress made will be submitted to the Board through the Committee, which will provide the Committee with substantive reporting on the various thematic trust funds. This report should be considered in conjunction with the *Annual Report of UNIDO 2017*, which provides information on mobilization of financial resources for that year.

Therefore, the Committee will have before it:

- Mobilization of financial resources. Report by the Director General (PBC.34/6-IDB.46/6)
- Funding performance. *Annual Report of UNIDO 2017* (PBC.34/2-IDB.46/2, chapter 7)
- Projects approved under the Industrial Development Fund, thematic and individual trust funds, and other voluntary contributions in 2017 (PBC.34/CRP.5)

Item 8. General risk management

Following Programme and Budget Committee conclusion 2016/8 and as per documents IDB.44/11 and IDB.45/9, UNIDO has established an internal Risk Management Committee to further enhance UNIDO's risk management approach. An updated report will provide information on the further development and implementation of the Enterprise Risk Management Policy and the identification, analysis and evaluation of risks to the Organization, including the financial and administrative impact of Member States leaving the Organization.

The Committee will thus have before it:

- General risk management. Report by the Secretariat (PBC.34/7-IDB.46/7)

Item 9. Updated medium-term investment plan

In line with paragraph (l) of decision IDB.43/Dec.6, a medium-term investment plan should be updated annually. An investment plan, which updates the previous one presented in document IDB.45/8/Add.1, will therefore be presented to the Committee.

The Committee will thus have before it:

- Medium-term investment plan, 2018–2021. Report by the Director General (PBC.34/8-IDB.46/8).

Item 10. Date of the thirty-fifth session

The following dates have been reserved for the policymaking organs of UNIDO in 2018 and 2019:

26–28 November 2018	Industrial Development Board, forty-sixth session
29 November 2018	General Conference, resumed seventeenth session
14–16 May 2019 (*tentative*)	Programme and Budget Committee, thirty-fifth session
25–27 June 2019 (*tentative*)	Industrial Development Board, forty-seventh session
2–6 December 2019 (*tentative*)	General Conference, eighteenth session

Item 11. Adoption of the report